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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte DAVID S. MILLER

Appeal 2008-0174
Application 10/782,977¹
Technology Center 3600

Decided: November 21, 2008

Before JAMESON LEE, SALLY C. MEDLEY, and JAMES T. MOORE,
Administrative Patent Judges.

MEDLEY, *Administrative Patent Judge.*

DECISION ON APPEAL

¹ Application for patent filed 23 February 2004 claims priority benefit under 35 U.S.C. § 120 of application 09/073,027 which matured into patent 6,202,052 ('052) and application 09/776,707, which matured into patent 6,697,787 ('787). Both the '052 patent and the '787 patent are subject to reexamination (90/006,713 and 90/006,969). In connection with both reexaminations, Simplification sought review of a final rejection of certain claims (Appeal Nos. 2007-0518 and 2007-0712). We reversed all rejections made. The rejections made and the issues in 2007-0518 and 2007-0712 are closely related to the issues and rejections made in this appeal.

Simplification, LLC (“Simplification”), the real party in interest, seeks review under 35 U.S.C. § 134(a) of a Final Rejection of claims 21-68, the only claims remaining in the application on appeal. We have jurisdiction under 35 U.S.C. § 6(b). We reverse.

STATEMENT OF THE CASE

The invention relates to an apparatus and method for collecting and processing tax data. A tax data provider provides tax data to an electronic intermediary. The tax data is processed and used to prepare an electronic tax return.

Claims 21-68 are pending and on appeal. Claim 21 is representative and reads as follows:

A computer-readable medium embodying a computer program for automatic tax data collection by an electronic intermediary, said computer program comprising code segments for:

connecting electronically said electronic intermediary to a tax data provider;

collecting electronically tax data from said tax data provider, wherein said tax data is taxpayer specific tax data;

processing electronically said tax data collected electronically from said tax data provider to obtain processed tax data; and

preparing electronically an electronic tax return using said processed tax data.

The Examiner relies on the following prior art in rejecting the claims on appeal:

Scott Beamer, *A Marriage of Convenience*. (MacInTax, MacMoney, and Dollars & Sense for tax preparation and planning), MacUser, v3, n3, p 102(4) (March 1987).

It's W-2 Time – But This Year There's a Better Way to Do your Taxes, PR Newswire, (February 1987).

The Examiner rejected claims 21-68 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

The Examiner rejected claims 21-68 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The Examiner rejected claims 21, 22, 24, 29, 30, 32, 37, 38, 40, 45, 46, 48, 53, 54, 56, 61, 62 and 64 under 35 U.S.C. § 102(b) as anticipated by Beamer as further supported by “It’s W-2 Time.”

The Examiner rejected claims 23, 25-28, 31, 33-36, 39, 41-44, 47, 49-52, 55, 57-60, 63, and 65-68 under 35 U.S.C. § 103(a) as unpatentable over Beamer and further in view of “It’s W-2 Time.”

A. Findings of Fact (“FF”)

The record supports the following findings of fact as well as any other findings of fact set forth in this opinion by at least a preponderance of the evidence.

1. The Examiner rejected claims 21-68 under 35 U.S.C. 112, ¶ 1, as the Specification allegedly does not provide the intended metes and bounds of:

1) “collecting electronically tax data from said tax data provider” (as recited in claims 21, 29, 37, 45, 53, and 61) (Ans. 4);

2) “tax data corresponds to at least one item of tax liability reported on at least one of an Internal Revenue Service (“IRS”) form, a state form, a local form, and a foreign tax form” (as recited in claims 24-26, 32-34, 40-42, 48-50, 56-58, and 64-66) (Ans. 4-5).

2. Simplification’s Specification states:

Hence, with the electronic collection of tax data as in step 12, the invention eliminates the current requirement that a taxpayer manually collect the tax data, eliminates the current requirement that a taxpayer manually enter such tax data onto a tax return or into a computer, and eliminates the need for all, or virtually all, intermediate hard copies of tax data, thereby saving paper, time, and cost.

In step 13, the electronic intermediary processes the tax data obtained electronically from the tax data providers in step 12. In the present invention, step 13 can be implemented using a computer program similar to the computer programs currently available in the market place, such as TurboTax, which is a registered trademark of Intuit, Inc. Although step 13 can be implemented with current technology, the current technology requires that the tax data and other information relevant to the taxpayer be inputted manually. With the present invention, this information is obtained as described above in steps 11 and 12. (Spec. 13:13 to 14:4).

3. The Specification also describes the following:

Alternatively, the electronic intermediary can connect electronically with the IRS, and receive the tax data from the IRS. In this alternative embodiment, the tax data providers have already provided the tax data to the IRS and the electronic intermediary obtains the tax data from the IRS, and not the tax data providers. Further, the electronic intermediary can connect electronically with other taxing authorities possessing the taxpayer’s tax data. In this case, the electronic intermediary receives the tax data from the taxing authorities instead of the tax data providers. (Spec. 13:6-12).

4. The Examiner found that Beamer describes connecting electronically an electronic intermediary to a tax data provider and collecting electronically tax data from the tax data provider (e.g., Ans. 9-10).

5. Specifically, the Examiner found with respect to independent claims 21, 29, 37, 45, 53, and 61 (directing attention to Beamer ¶¶ 3, 4, 6, 15, 16, 23, and 26) that:

The tax preparation software, e.g., MacInTax, can electronically connect to and download relevant financial information from a bank via a home accounting program, e.g., Dollars & Sense. This downloaded information is used to assist in completing one's tax return. (e.g., Ans. 10).

6. ¶ 3 of Beamer describes:

One day in the not-too-distant future Jan and Jim Smithwick will have their employers transmit their salaries electronically directly into their personal bank accounts. They will be able to download their bank records into their personal financial software. That program can then pass the information to a tax preparation program.

7. Moneyline, the program that allows electronic access to a bank is described as follows:

Moneyline allows you to communicate directly with your bank's computer system. Many transactions can be directly fed by the bank's computer into Dollar & Sense accounts. This reduces the drudgery of retyping data, increases accuracy and gives convenient access to bank information at any time, not just when the statement arrives. (Beamer ¶ 26).

8. Beamer describes Dollars & Sense as a home accounting program that keeps track of personal finances (¶¶ 1 and 6).

9. Beamer also describes the following with respect to home accounting software programs:

Grooming your files at the end of the year is a must. If your accounts balance at the end of the year, you are in pretty good shape but transactions can still be in the wrong categories. At tax time it is necessary to review all transactions one by one, making sure that each is in the correct category and correctly marked as taxable or nontaxable. It is best to empty out the “Misc.” and “Cash” accounts as much as possible.

Hopefully, before tax time rolls around you will have been practicing with report templates all year. This is the most difficult part of using these programs, especially with MacMoney, because there are so many variables to deal with. You must make a year end report that will correctly summarize the tax data from your files. If you have been using the suggested tax accounts from the program, this shouldn’t be too hard (Beamer ¶¶ 36 and 37).

10. The Simplification Specification gives examples of the type of data that is considered “tax data” as follows:

This information [data needed to compute the tax payer’s liability] includes: IRS Forms W-2 from their employers; IRS Forms 1099 from their banks; each mutual fund in which interests are held, each broker in respect of dividends, interest and gross brokerage proceeds, and other persons from whom payments are received; IRS Forms 1098 in respect of residential mortgage interest paid; and canceled checks or other acknowledgments from charitable organizations (Spec. 4:15-19).

B. Principles of Law

35 U.S.C. § 112, ¶ 1

Adequate written description means that, in the Specification, the applicant must “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the [claimed] invention.” *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991). The written description requirement is separate and distinct from the enablement requirement. *Id.*

35 U.S.C. § 112, ¶ 2

If the scope of the invention sought to be patented cannot be determined from the language of the claims, the Specification or the teachings of the prior art with a reasonable degree of certainty, a rejection of the claims under 35 U.S.C. § 112, second paragraph is appropriate. *In re Wiggins*, 488 F.2d 538, 541 (CCPA 1973).

35 U.S.C. § 102

“Anticipation under 35 U.S.C. § 102(b) requires that ‘each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.’” *In re Robertson*, 169 F.3d. 743, 745 (Fed. Cir. 1999) (citation omitted).

C. Analysis

The 112, ¶¶ 1 and 2 rejections

We first address the arguments made in the context of the written description requirement. The Examiner found that it is not clear how the step of “collecting electronically tax data from a tax data provider,” recited in independent claims 21, 29, 37, 45, 53, and 61, is performed. Ans. 4. The Specification describes that once the tax payer provides account or identification data to the intermediary, the intermediary then may *electronically* search databases for the tax payer’s tax data (Specification 10:3-6), or the electronic intermediary may *electronically* contact and collect from the tax data providers the tax payer’s tax data (Specification 10:6-9). Moreover, as pointed out by Simplification, the Specification describes examples of how the intermediary is electronically connected to a tax data provider. App. Br. 13-14; Spec. 12:17-13:1. The Examiner has failed to clearly articulate why such descriptions fail to convey to one of ordinary

skill in the art that the inventor had possession of electronic collection of tax data.

The Examiner also found that since the Specification describes that the invention may be implemented using existing software, such as TurboTax®, that the demarcation between one off-the-shelf software program being integrated into another piece of software is not made clear by the Specification. Ans. 23.

The Examiner's position is not persuasive. The Specification states that "step 13 can be implemented using a computer program *similar to* the computer programs currently available in the market place" such as TurboTax®. Spec. 13:18-21. The Specification makes clear that the software may be similar to what is available in the market place, but need not be exactly the same software.

The Examiner found that tax data corresponding "to at least one item of tax liability reported on an at least one of an Internal Revenue Service ("IRS") form, a state form, a local form, and a foreign tax form" as recited in claims 24-26, 32-34, 40-42, 48-50, 56-58 and 64-68 is not supported by the Specification. The Examiner poses several hypothetical questions regarding the limitation, such as: 1) do the claims require that the tax data expressly be reported and, if so, to whom; 2) if the scope of the claims necessitates an active reporting of the tax data on one of the recited forms, what is the extent of the data reported; 3) does the invention report the actual image data or an OCR version of the contents of an entire IRS tax form; and 4) is the tax data limited to data values printed on a tax form or merely related to other information that is printed on a tax form? Ans. 5-6.

The questions do not contribute to a reasoned articulated explanation of why the Examiner finds that the inventor did not have possession of the claimed feature. The Specification appears to support the limitation. For example, the Specification describes that the electronic intermediary can connect electronically with the IRS and receive tax data from the IRS. That tax data is data that various tax data providers provide to the IRS (FF 3). The Examiner has failed to clearly articulate why the Specification fails to convey that the inventor had possession of this claimed feature.

In response to Simplification's arguments, the Examiner apparently agrees that the Specification *does* provide written description support for the "collecting electronically tax data from a tax data provider," but argues that the Specification fails to explain in detail how this is accomplished. Ans. 17.

Whether one of ordinary skill in the art can make or use a described invention, e.g., enablement, is a separate and distinct requirement of 35 U.S.C. § 112, ¶ 1. The test for enablement is based on undue experimentation, where several underlying factual findings need be made. The Examiner has failed to make any such findings. We need not and will not speculate as to how the Examiner's rejections may possibly fit into an enablement scenario. The Examiner has the initial burden to succinctly articulate a rationale for rejecting the claims.

The Examiner's rejection based on the second paragraph of 35 U.S.C. § 112 is verbatim the same as the written description rejection. In the context of 35 U.S.C. § 112, second paragraph, the Examiner has failed to explain why the scope of the invention sought to be patented cannot be

determined from the language of the claims, the Specification or the teachings of the prior art with a reasonable degree of certainty.

As already discussed above, at the heart of the Examiner's rejections is that the Specification does not provide enough information such that one of ordinary skill in the art would be able to make or use the invention. The Examiner has failed to make the requisite findings to support the assertions made, e.g., that one of ordinary skill in the art would not know how to make or use the invention without undue experimentation.

In addition to the above, and with respect to claims 24-26, 32-34, 40-42, 48-50, 56-58 and 64-68, we cannot sustain the rejection for the following reasons. Claims 24, 32, 40, 48, 56 and 64 recite "collecting automatically and electronically tax data from said tax data provider" "wherein said taxpayer specific tax data corresponds to at least one item of tax liability reported on at least one of an Internal Revenue Service ("IRS"), a state form, a local form, and a foreign tax form." The Examiner argues that the claim language is indefinite since the claim could properly be interpreted as requiring active reporting.

Specifically, the Examiner asks whether the tax data is reported, and if so, by whom. Ans. 7. We disagree with the Examiner that the claim may be properly interpreted to require active reporting of tax data to anyone. Simplification argues, and we agree, that the limitation "wherein said taxpayer specific tax data corresponds to at least one item of tax liability reported on at least one of an Internal Revenue Service ("IRS"), a state form, a local form, and a foreign tax form" is merely descriptive of the type of tax data that is collected (App.Br. 16). Reported tax data is just data appearing

on a tax form. The claim does not require active reporting of the data as argued by the Examiner.

Our interpretation is supported by the description in the Specification (FF 3). It also does not matter who had placed the data on an IRS, state, local, or foreign tax form such that such data can then be collected as “reported.” The Examiner failed to rebut Simplification’s argument in this regard, and therefore, the rejection of the claims 24-26, 32-34, 40-42, 48-50, 56-58 and 64-68, under 35 U.S.C. 112, ¶ 2 is also without merit.

Rejection of claims 21, 22, 24, 29, 30, 32, 37, 38, 40, 45, 46, 48, 53, 54, 56, 61, 62 and 64 as anticipated by Beamer

The Examiner finally rejected all of the independent claims as being anticipated under 35 U.S.C. § 102(b) by Beamer and further supported by the disclosure of “It’s W-2 Time.” The claims in this group stand or fall together. Claim 21 is representative and recites “collecting electronically tax data from said tax data provider.” The Examiner found that Beamer describes a tax data provider, e.g., the bank, from which tax data is collected electronically. Ans. 9-10.

An issue raised by Simplification is whether Beamer describes that the information collected from the bank is “tax data.” App. Br. 38-41. For the reasons that follow, the Examiner has failed to sufficiently establish that Beamer describes that the information collected from the bank is “tax data,” and therefore the rejection of all of the claims 21-68 is reversed.

In reviewing both the Examiner’s and Simplification’s arguments, it appears that both agree that “tax data” is data that is used to determine an individual’s liability (Ans. 10-11 and App. Br. 39), which is consistent with the Specification description of tax data. The specification describes

examples of “tax data” as IRS Forms W-2 from their employers and IRS Forms 1099 from their banks (FF 10). Simplification disagrees that Beamer describes that the information obtained from the bank is data that is used to determine an individual’s liability.

Simplification argues that the information obtained from the bank, is described as “salary data” and that “salary data” does not indicate the net pay of the customer, which is necessary to determine the customer’s taxable income. App. Br. 39. Specifically, Simplification argues that the Beamer bank record indicates the salary of the customer. Simplification further argues that the bank record salary entry is the net pay of the customer, and that the salary entry data would not include the customer’s taxable income, or tax liability. App. Br. 39.

We understand Simplification as arguing that the information contained on a bank statement as described in Beamer would show a record of the amount of money directly deposited into a customer’s account, which Simplification refers to as “salary data.” We further understand Simplification as arguing that a monthly bank record showing the amount of money directly deposited would not be “tax data” since one could not determine the taxable income from the data showing the amount deposited. Instead, Simplification maintains that Beamer’s direct deposit information is not useful information for determining an individual’s liability.

In support of the argument, Simplification directs attention to paragraph 3 of Beamer. That passage reads as follows:

One day in the not-too-distant future Jan and Jim Smithwick will have their employers transmit their salaries electronically directly into their personal bank accounts. They will be able to download their bank records into their personal

financial software. That program can then pass the information to a tax preparation program.

This passage tends to support Simplification's argument that the only type of data that is specifically described is "salary" information, or the amount of money directly deposited into the customer's bank account from an employer. From the above passage, one would understand that what an employer is electronically directly transmitting to the Smithwick's bank accounts is the amount of money owed to them from their employer. Such direct deposits are typically made on a weekly, bi-weekly or monthly basis. That amount would be after all tax deductions, retirement deductions, social security deductions, and any other deductions are made.

There is no indication from the above passage that the amount deposited directly into the Smithwick's accounts is the type of data that is typically used to determine one's tax liability. For example, a monthly bank report showing direct deposits from an employer is a snap shot of what occurred in a given month and would not be a complete accurate summary of a taxpayer's total net income for a year, information that would be found on a W-2 form, e.g., the type of data that the Specification describes as being "tax data." Even if the direct deposit salary amount on a bank statement is assumed to be passed to a tax preparation program that does not turn it into "tax data" without any demonstration that the tax preparation software indeed uses that data to determine one's tax liability.

The Examiner's response is not sufficient to refute the Applicants' arguments. The Examiner is silent with respect to Simplification's specific argument that Beamer describes a monthly bank statement that would only include a direct deposit amount from an employer, and that such information

would not be enough or helpful to determine an individual's tax liability. Instead, the Examiner merely repeats what was stated in the rejection, e.g., that Beamer ultimately utilizes the downloaded bank statement information to electronically prepare a tax return. However, the Examiner has failed to direct attention to where in Beamer that the conclusion finds support, or explain how Beamer necessarily or inherently describes the feature. Such a conclusory response is not sufficient to overcome the argument made by Simplification and what Beamer describes in paragraph 3.

The Examiner argues that:

Completion of an IRS tax form is expressly disclosed by Beamer; therefore, by using data downloaded from a bank to complete the IRS tax form, said data qualifies as tax data since it provides information that is required to complete one's tax return. Ans. 25.

The Examiner has failed to show that Beamer contemplates "using data downloaded from a bank to complete the IRS tax form" as argued. The Examiner places much emphasis on the following passage in Beamer to support the assertion that Beamer describes "tax data" e.g., data that can be used to complete a tax form.

Moneyline allows you to communicate directly with your bank's computer system. Many transactions can be directly fed by the bank's computer into Dollar & Sense accounts. This reduces the drudgery of retyping data, increases accuracy and gives convenient access to bank information at any time, not just when the statement arrives. (Beamer ¶26).

The references to "bank records" and "statement" from the above passage are not specific as to the type of data that is contained on the bank record or statement. The only reference to the type of data that may be contained on the record or statement is that of the money that is deposited into the

Smithwick's bank account from their employer as previously discussed. The Examiner has also failed to demonstrate that the data collected from the bank must necessarily or inherently be tax data as argued.

Beamer focuses on tax preparation. However, Beamer also focuses in detail on home accounting software too. There is approximately a full page of the three page article describing the general advantages of using a home accounting software program. Within that description is the above paragraph that discusses the link between Moneyline and a home accounting software program. The downloaded bank information is to the home accounting or personal financial software, not directly to the MacInTax or tax software.

As described in Beamer, home accounting software such as the Dollars & Sense software tracks data that is otherwise not relevant to a tax payer's tax liability. For example, direct deposit data, e.g., the amount of money that is deposited from an employer into an employee's bank account may be useful in the context of home accounting software, for the purpose of budgeting and paying one's bills, but is not the type of data that a tax payer uses to determine tax liability as already discussed. The home accounting software of Beamer tracks data that would appear to have nothing to do with a tax payer's tax liability.

For example, Beamer describes manipulating the home accounting software files in preparation for determining tax liability. Beamer states that "[a]t tax time it is necessary to review all transactions one by one, making sure that each is in the correct category and correctly marked as *taxable or nontaxable*" (FF 9). That statement supports the notion that data collected

through the home accounting software such as Dollars & Sense is not limited to tax data.

Here, the Examiner has failed to sufficiently demonstrate that the data obtained from the bank is anything more than information that a taxpayer would use for household budgeting purposes, which data the Examiner has failed to demonstrate would in fact be used to determine a tax payer's tax liability.

For all of these reasons, the Examiner's determination that the data collected from the bank must necessarily or inherently be data that is used to process a tax payer's liability is not supported by record evidence.

For all of these reasons, we will not sustain the Examiner's rejection of the claims 21, 22, 24, 29, 30, 32, 37, 38, 40, 45, 46, 48, 53, 54, 56, 61, 62 and 64 as anticipated based on the prior art of record.

Rejection of claims 23, 25-28, 31, 33-36, 39, 41-44, 47, 49-52, 55, 57-60, 63, and 65-68 as obvious over Beamer and "It's W-2 Time"

Claims 23, 25-28, 31, 33-36, 39, 41-44, 47, 49-52, 55, 57-60, 63, and 65-68 are dependent on, and include all the limitations of, independent claims 21, 29, 37, 45, 53, and 61. App. Br. 48-57. As applied by the Examiner, neither "It's W-2 Time" nor the "Official Notice" taken by the Examiner make up for the deficiencies of Beamer. We find that the Examiner erred in determining that claims 23, 25-28, 31, 33-36, 39, 41-44, 47, 49-52, 55, 57-60, 63, and 65-68 are obvious over Beamer, "It's W-2 Time" and "Official Notice."

D. Decision

Upon consideration of the appeal, and for the reasons given herein, it is

ORDERED that the decision of the Examiner rejecting claims 21-68 under 35 U.S.C. § 112, first paragraph is reversed.

ORDERED that the decision of the Examiner rejecting claims 21-68 under 35 U.S.C. § 112, second paragraph is reversed.

ORDERED that the decision of the Examiner rejecting claims 21, 22, 24, 29, 30, 32, 37, 38, 40, 45, 46, 48, 53, 54, 56, 61, 62 and 64 under 35 U.S.C. § 102(b) as anticipated by Beamer is reversed.

ORDERED that the decision of the Examiner rejecting claims 23, 25-28, 31, 33-36, 39, 41-44, 47, 49-52, 55, 57-60, 63, and 65-68 as unpatentable under 35 U.S.C. § 103(a) over Beamer, “It’s W-2 Time” and “Official Notice” is reversed.

REVERSED

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